



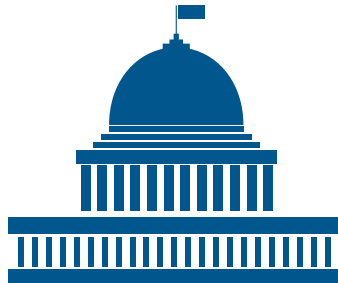
U.S. Department of the Treasury
Financial Management Service
Office of Legislative and Public Affairs

Congressional Staff

Handbook

2000

Information about the
Financial Management Service



for Congressional Staff

Office of Legislative and Public Affairs

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Introduction

Treasury's Financial Management Service's (FMS) Office of Legislative and Public Affairs is pleased to provide you with this Congressional Staff Handbook. It includes information about the functions of FMS, and answers the questions most frequently asked of our staff and undoubtedly of your office as well. Additionally, information on key FMS programs is available on the FMS web site at <http://www.fms.treas.gov>.

This handbook covers a wide variety of topics relating to FMS' work. These include:

1. Questions regarding missing federal payments, such as social security, veterans' benefits, and tax refunds, whether paper check or electronic;
2. Questions regarding the collection of individuals' delinquent debts owed to the federal government or delinquent child support;
3. Questions regarding citizens' unclaimed assets held by the federal government; and
4. Questions regarding Judgement Fund payments resulting from claims against the federal government;

The handbook will be posted in PDF format on the FMS News & Events web site (<http://www.fms.treas.gov/news>). Please check our site for updates.

We hope the FMS Congressional Staff Handbook will be useful to you in serving your constituents. Please let us know if we can be of assistance.

Alvina M. McHale, *Director*
Office of Legislative and Public Affairs
Financial Management Service



About Treasury's Financial Management Service

The Financial Management Service (FMS), one of 13 bureaus of the Department of the Treasury, disburses more than \$1.2 trillion for nearly 880 million federal payments such as social security and veterans' benefits and income tax refunds. Furthermore, FMS collects more than \$2 trillion in federal revenues, oversees a daily cash flow of \$10 billion, provides centralized debt collection services to most federal agencies, and provides government-wide accounting and reporting.

FMS has about 2,100 employees, one-third of whom are located in 5 Regional Financial Centers (RFCs) where electronic funds transfer and paper check payments are issued. The RFCs are located in: Austin, Texas; Chicago, Illinois; Kansas City, Missouri; Philadelphia, Pennsylvania; and San Francisco, California. As a result of the increase in EFT payments and the corresponding decline in the number of check payments, FMS is closing the Chicago RFC by November 2000. Additionally, FMS has one Debt Collection Center located in Birmingham, Alabama. All FMS employees, including the Commissioner, are career civil servants.



Payments

FMS is the principal disbursing agent of the federal government. Each year, FMS issues more than 880 million payments, or approximately 85% of all federal payments, in excess of \$1.2 trillion. These include social security, veterans', Office of Personnel Management federal salary and retirement, railroad retirement, income tax refund and vendor payments.

In 1996, Congress passed a law requiring that most federal payments be made by Electronic Funds Transfer (EFT). Treasury's top priority is to provide the best possible service to individuals receiving federal payments and EFT is an excellent way to provide this service. EFT is secure, reliable, and convenient. EFT payments cannot be lost, stolen, or forged. Recipients who receive EFT federal payments do not have to visit their financial institution to cash or deposit their checks. Also, EFT will save the taxpayers more than \$100 million a year because the cost to issue an EFT payment versus paper check is so much less.

Currently, Treasury offers direct deposit to individuals with an account at a financial institution and banks are now offering the Treasury-designed Electronic Transfer Account (ETA) for individuals who do not currently have a bank account to receive federal wage, salary, retirement or benefit payments.

FMS' Electronic Money (E-money) Program is testing new payment and collection technologies using the Internet and card technology, as well as related technologies such as digital signatures and biometrics. To help federal agencies modernize their payment and collection activities, FMS has several E-money pilots including stored value cards used on military bases and in government hospitals, electronic checks, point-of-sale check truncations, and the Internet credit card collection program.



Frequently Asked Questions

1. If I receive military retirement payments from the Department of Defense and have a question about a payment, do I contact FMS?

No. Contact the Department of Defense since the Defense Finance and Accounting Service (DFAS) determines the timing and amount of your payment and also issues your payment.

The toll-free number for questions relating to military retiree payments for all Services is **1-800-321-1080**.

2. I have received a federal payment from Treasury and do not know why I received the payment. How can I find out who sent the payment and why it was issued?

To determine if a payment was disbursed by Treasury, contact the Treasury Regional Financial Center (RFC) that issued the payment. For identification purposes, the city and state for each RFC is printed on the check. For electronic payments, contact your financial institution for the RFC symbol number which is included on the information accompanying the payment.

SYMBOL NUMBER	RFC LOCATION	PHONE NUMBER
220	Austin, TX	(512) 342-7261
307	Chicago, IL	(312) 583-3700
310	Kansas City, MO	(816) 414-2000
303	Philadelphia, PA	(215) 516-8000
312	San Francisco, CA	(415) 817-7181

3. What should I do if I my federal payment is lost or stolen?

This happens very rarely. If you do not receive your payment, you should then contact the federal agency from which you expected the payment



(*example: Social Security Administration*). The agency will submit a non-receipt claim to FMS. Once the status of the payment has been determined to be outstanding, if required, FMS will either return the funds to the agency for disposition or issue a replacement payment to you. If a check has been negotiated, you will receive a copy of the item and a claims package to complete and return to:

Financial Management Service
Financial Processing Division
Check Claims Branch
P. O. Box 1849
Hyattsville, MD 20788

Federal agencies, not FMS, determine the timing and amount for payments. Based on agency instructions, Treasury issues the payments.

4. If the amount of my payment is not what I expected, whom do I contact?

Contact the federal agency with which you have your business relationship (*example: Social Security Administration*). Each federal agency maintains its own payment records and determines payment amounts.

Below is a list of toll-free numbers for the federal paying agencies:

- Social Security Administration* 1-800-772-1213
- Department of Veterans' Affairs* 1-800-827-1000
- Office of Personnel Management* . . 1-888-767-6738 or 202-606-0500
- Internal Revenue Service* 1-800-829-1040
- Railroad Retirement Board* 1-800-808-0772
(Automated System)



5. I have a new address and have changed banks. What do I need to do to ensure my payments continue?

Contact the federal agency which pays you. They maintain your payment records and will update your records to reflect the new information. Do this immediately to avoid any possible delays in your receiving payments. If you are receiving your payments by direct deposit and have **EITHER** changed your bank or simply opened another account at your same bank where your federal payments are deposited, you must **IMMEDIATELY** advise the federal agency of this change so that future payments are correctly credited to your new bank and/or account. You should leave your old account open until your payments begin arriving at your new account.

6. What should I do if a relative dies who was receiving benefit payments from the federal government?

IMMEDIATELY notify the appropriate federal benefit agency at the toll-free number above. (*See question #4*) Your immediate attention to this matter will minimize any liability for you or your relative's financial institution. You should also send the federal agency and relative's bank written documentation of the death. This will also help minimize any liability for unentitled payments.

7. How long can I wait to cash a Treasury check?

Current law requires that Treasury checks be negotiated within one year from the date of issuance. If you have a check that is more than one year old, contact the federal agency with which you have a business relationship (*example: Social Security Administration*). They will research your inquiry and issue you a replacement payment.



8. What is direct deposit and how do I sign up?

Direct Deposit is the safe, secure and easy way to have your federal payment (social security, veteran's benefit, etc.) deposited directly into your checking or savings account at your financial institution. There are several ways to sign up, including through your financial institution. You may also download the Direct Deposit Sign-Up Form (SF 1199A) from FMS' web site (<http://www.fms.treas.gov/efi/1199a.pdf>). You can expect your direct deposit to begin within 30 to 60 days of application. Sign-up methods can vary slightly among federal agencies, so contact the federal agency that pays you, at the toll-free number on page 5 to verify the acceptable sign-up method.

9. Whom do I contact to inquire about the status of a payment request or claim that has already been submitted?

Inquiries concerning the status of a payment should be directed to the agency from which you expected the payment. Inquiries concerning the status of a non-receipt claim and general information concerning check claim matters should be directed to FMS' Check Claims Branch's Telephone Answering Team at 1-800-826-9434, or if there is a specific concern, contact an FMS Customer Liaison Specialist at (202) 874-8445.

10. Is it mandatory that I receive my federal payment electronically or may I still receive a check?

In 1996, Congress passed the Debt Collection Improvement Act (DCIA) which contained a provision mandating that most federal payments be made electronically (i.e. directly into recipients' accounts) rather than by paper check. After consultation with Congress and advocacy groups, Treasury issued regulations which allow recipients to continue to receive their payments via paper check if an electronic payment would cause a hardship.



Federal payment recipients have three options for receiving their payment:

1. They may receive their payment by direct deposit through the financial institution of their choice;
2. They may receive their federal benefit, wage, salary, or retirement payments through a basic, low-cost account called an Electronic Transfer Account (ETASM). This account is already available at many financial institutions. Check the FMS web site (www.eta-find.gov) or call toll-free 1-888-382-3311 to see if there are financial institutions in your area or state offering ETAs.
3. They can continue to receive a check. If a recipient determines that receiving a payment electronically would cause a hardship because of a physical or mental disability, or because of a geographic, language, or literacy barrier, or if payment by EFT would cause a financial hardship, payments may be received by check. An agency may not delay or withhold payment, however, if a recipient does not respond to a waiver request.

11. Who may accept a federal payment on behalf of someone else?

An authorized payment agent is any person or entity that is appointed as a representative payee or fiduciary under regulations of the Social Security Administration, the Department of Veterans Affairs, the Railroad Retirement Board, or other agency making federal payments, to act on behalf of an individual entitled to a federal payment. Common examples include relatives of the recipient or legal guardians who manage the recipient's finances. Financial institutions may require proof of payment agent authorization prior to the release of any funds.



Window Envelopes and Social Security Number Visibility

FMS has efforts underway to remove the SSN from the window of all Treasury check envelopes and will continue until the SSN is no longer visible. Barring any unforeseen programming, methodology or procedural problems, the entire effort will likely be completed by the fall of 2001.

Since 1998, the SSN is no longer visible through the window of the envelopes used to mail all Internal Revenue Service tax refund checks. FMS has targeted the end of calendar year 2000 for Social Security (SSA and SSI) payments which constitute 90% of FMS' benefit check payments.

I. Why is it necessary for my social security number to be printed on my check and why must that number be visible through the window envelope? Does the government have plans to make changes so that social security numbers will no longer be visible?

FMS processes more than 262 million check payments each year. This requires that large volume check payments like SSA be printed two weeks prior to the payment date. During those two weeks prior to delivery to the postal service, some changes may occur, such as a death, or a move; therefore, about 1 million checks totaling approximately \$600 million must be manually processed each year. Having the checks sorted by social security number helps FMS manually process these checks accurately and within the required time frame.

Recipients should note that social security numbers are in no way compromised during transit as only government employees (FMS and U.S. Postal Service) and the recipients handle the envelopes. Fines and penalties are imposed on any individual as a consequence of inappropriately disclosing such information.



Additionally, FMS now has efforts underway to change its process so that the window envelopes will no longer be necessary for our operations. FMS has targeted the end of calendar year 2000 for Social Security (SSA and SSI) payments, which constitute 90% of FMS' benefit check payments.



Debt Collection

FMS serves as the government's central debt collection agency, managing the government's non-tax delinquent debt portfolio. One of the key tools used by FMS to collect delinquent debt is the Treasury Offset Program (TOP).

Under TOP, FMS matches a database of delinquent debtors against payments disbursed by Treasury. With a match, recipients of federal payments who also owe delinquent debts have their payment offset or withheld to satisfy the debt. FMS uses the TOP program to assist states in collecting past due child support obligations, and in January 2000, implemented a program to collect delinquent state income tax debt. Seven states are currently participating in the State Tax Debt Program—Delaware, Illinois, Iowa, Kentucky, Maryland, Missouri, and New Jersey. FMS currently offsets OPM retirement, federal income tax refunds, vendor payments and some federal salary payments, and will be adding Social Security benefit payments and the remaining federal salary and non-Treasury disbursed payments to the TOP system.

FMS is also working to implement the Continuous Federal Tax Levy program authorized under the Taxpayer Relief Act of 1997. This program will allow the IRS to assess a 15% levy on certain federal payments until the debt is satisfied. The program is scheduled to begin in the summer of 2000.

Another major collection program used by FMS is cross-servicing. Federal agencies are required by law to refer debt that is delinquent more than 180 days to FMS for collection. The cross-servicing collection program includes the issuance of Treasury demand letters, telephone follow-up, referral of debts for administrative offset and referral of debts to private collection agencies. FMS is also working to implement administrative wage garnishment as another collection tool under cross-servicing.



Frequently Asked Questions

1. Why is Treasury contacting me about my debt owed to another federal agency?

The Debt Collection Improvement Act of 1996 requires federal agencies to refer non-tax debts over 180 days delinquent to Treasury for collection. The federal agency referring the debt certifies to Treasury that a debt is delinquent, and that a warning notice and information on contesting the debt have been sent. In turn, Treasury contacts the debtor as part of its offset or cross-servicing activities.

2. If I receive a letter from Treasury about the debt, whom should I contact about paying off my debt?

The letter will indicate the creditor agency or agencies to which the debt is owed. That is the first place you should call. If you are uncertain whom you should contact, call the Treasury debt collection office toll-free at 1-888-826-3127 to find out whom to call to discuss repayment options or to make an inquiry.

3. If Treasury notifies me that some of my federal payment has been or will be taken to repay a debt, whom can I contact to voluntarily repay my debt? Whom should I contact if I have a question or want to dispute a debt?

If you receive a letter from Treasury informing you that part of your federal payment has been taken, or offset, to repay your federal debt, you should contact the creditor agency directly. The name and phone number of that agency are provided on the offset notice or warning letter sent to you by Treasury. The creditor agency will answer questions related to debts eligible for offset and will instruct Treasury to stop the offset process once the debt has been paid.



4. What will Treasury do to collect my debt?

If the debt has been referred for cross-servicing, Treasury will attempt to collect the debt through the use of demand letters, telephone calls, credit bureau reporting, private collection agencies, offset of federal payments, and administrative wage garnishment. In some cases, the debt will be referred to the U.S. Department of Justice for litigation.

5. What is administrative wage garnishment?

Administrative wage garnishment is a process by which federal agencies require a private sector employer to withhold up to 15% of an employee's disposable pay to satisfy a delinquent debt owed to the federal government. A court order is not required. Before garnishing an employee's wages, federal agencies are required to send the employee a warning notice and to give the employee an opportunity to contest the debt and/or garnishment. All potential garnishees who wish to contest the action have the right to inspect and copy debt records, to enter into a repayment agreement, and to have a hearing.

6. How are the private collection agencies regulated?

The collection efforts of private collection agencies are governed by various federal and state laws, including the Fair Debt Collection Practices Act. Under Treasury's contract with private collection agencies, there are numerous controls to ensure that debtors are treated fairly. FMS is responsible for the management of this collection contract. On a daily basis, FMS closely monitors the conduct and activities of the private collection agencies.



7. My payment was reduced, but I do not owe any debt to the United States, and I do not owe any past-due child support. What should I do?

Contact the federal or state agency collecting the debt which is listed in the notice you received. If you need information about whom to contact, call the Treasury Offset Program Help Desk toll-free at 1-800-304-3107. If your debt has been paid in full, or if you do not owe the debt for other reasons, the agency collecting the debt is responsible for returning to you any part of your payment that should not have been reduced.

8. My federal payment was reduced two months ago for delinquent child support. The state has not received the money. Where is it?

Funds collected by the Treasury from your federal payment are sent to the Department of Health and Human Services (HHS), the federal liaison office with the states on child support enforcement. HHS disburses the funds to the states. To obtain information on the status of a support payment, you should request the state to contact HHS directly.

9. My spouse and I filed a joint federal income tax return. Our tax refund payment was reduced for a debt owed by my spouse. How can I get my portion of the refund?

Complete Internal Revenue Service (IRS) Form 8379 (Injured Spouse Claim and Allocation) to get your share of the refund. To obtain the form, call the IRS, toll-free, at 1-800-829-3676, or you can download the form from the IRS web site at <http://www.irs.ustreas.gov/plain/forms/pub/formpub.html>. If you have questions about the form or need help completing it, call your local IRS office or call, toll-free, 1-800-829-1040. The completed Form 8379 should be mailed to the IRS center where you sent your original tax return. If you already filed Form 8379 with your tax return, please allow eight weeks from the date of your initial refund or offset notice for the IRS to process your claim. Only IRS can determine the amount of your share of the refund.



10. I have not received the balance of my IRS tax refund which was due to me after payment of my debt. What should I do?

Call your local IRS office, or their toll-free number at 1-800-829-1040.

11. My ex-spouse owes child support. What is the Treasury Offset Program (TOP) and how can it assist me with payment collection?

If your ex-spouse is a federal payment recipient, the TOP allows the state to offset certain types of federal payments in order to collect the delinquent child support owed. Contact your state or local child support enforcement office to determine whether federal payments to your ex-spouse can be offset through TOP.

12. What is an administrative offset fee? May Treasury collect the administrative offset fee directly from the debtor?

An administrative offset fee is a processing fee to cover costs involved for FMS to collect the debt. Yes, under the administrative offset program, Treasury may collect this fee directly from the debtor.



Unclaimed Assets

FMS receives many requests from people inquiring about the possibility that the federal government is holding unclaimed government funds due to them. There is no government-wide, centralized information service or database on how unclaimed government assets may be obtained. Each individual federal agency maintains its own records and would need to research and release that data on a case-by-case basis.

Frequently Asked Questions

1. What does FMS do with checks that are returned undeliverable or cannot be paid for one reason or another?

FMS cannot issue payments on behalf of federal program agencies until official certification of those payments is received from the agencies. In those cases when undeliverable, unnegotiated and/or otherwise unpaid checks are returned to the Treasury disbursing centers, FMS merely cancels the checks and returns the respective funds to the agencies that originally certified the payments.

2. How can I find out if the government has unclaimed money or property that may be mine?

To determine whether any unclaimed funds are being held by the federal government, you must determine the type of benefit or payment that could be involved, the date on which the payment was expected, and how the payment should have been made. Given this information, the agency responsible for certifying any payment due should be able to assist you in determining the current status of any payment involved. The titles and addresses for all federal agencies are available in *The United States Government Manual* which is available in most public libraries. Most of the claims involve Federal Housing Administration mortgages which fall under the jurisdiction of the U.S. Department of Housing and Urban Development. If you are interested in tracing funds that may be due you, this may be a good place to start.



Another excellent resource is the web site for the National Association of Unclaimed Property Administrators, or www.unclaimed.org. This association consists of state officials charged with the responsibility of reuniting lost owners with their unclaimed property. This site was developed by state unclaimed property experts to assist the public, free of charge, in efforts to search for funds that may belong to you or your relatives.

3. I received a letter stating that the Treasury Department may owe me money or may be holding funds (or property) in my name. The letter indicates that I can receive this unclaimed property if I pay a "finders" fee. Can these companies help me?

Several companies, or locator services, engaged in the business of identifying and recovering unclaimed assets for profit, acquire federal check issuance data from FMS and various federal government agencies under the provisions of the Freedom of Information Act. The information requested by these companies pertains to specific check symbols, numbers and dollar amounts identified on Treasury check cancellation listings compiled by FMS. These listings are not searchable by personal identifiers, such as a person's name or social security number. Personal identifiers may, however, exist in federal agencies' check issuance or cancellation records. Using such personal identifiers, if available, these locator services attempt to locate the prospective beneficiaries, or "payees," for canceled/unpaid government checks and, on their behalf, attempt to collect the payment amounts from the federal agencies that originally certified the payments. It is important to note that these firms are also involved in recovering unclaimed property in the possession of state and local government entities.



Judgment Fund

Payments for most federal court judgments and Justice Department compromise settlements of actual or imminent lawsuits against the government are made from the Judgment Fund, and certification by FMS is required before a payment is made. Once this is done, FMS determines whether the judgment or award is final for payment purposes, calculates the amount of any interest which may be authorized by law, and initiates action to offset any known indebtedness to the United States by the judgment creditor.

For more specific information about the Judgment Fund, please visit our web site at: <http://www.fms.treas.gov/judgefund>

Frequently Asked Questions

1. How long will it take to process my claim and when can I expect to receive payment?

In most cases, the certification and payment process takes approximately 4 to 6 weeks.

2. How can I check the status of my claim?

Contact the Judgment Fund Branch, by phone at (202)874-6664, or by mail at:

Financial Management Service
Judgment Fund Branch, Room 6E15
Prince George Metro Center II Building
3700 East West Highway
Hyattsville, MD 20782



It is helpful to have specific information such as the accurate spelling of the case name, the date it was sent, and the amount of the award. If the claim is in our database, we will provide you with a “Z” number. Please retain this number, since it is FMS’ way to identify the claim for future inquiries.

3. How long should I wait to call to determine the status of my claim?

Please wait two weeks, at minimum, before calling for the status. After two weeks, contact the Judgment Fund Branch at the phone number and address provided in question #2.



Financial Management Service
Important Phone Numbers

Legislative and Public Affairs(202) 874-6760

Payment Questions

FMS Regional Financial Centers

Austin, TX(512) 342-7261
*Chicago, IL(312) 583-3700
Kansas City, MO(816) 414-2000
Philadelphia, PA(215) 516-8000
San Francisco, CA(415) 817-7181

Federal Agencies

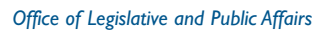
Social Security Administration1-800-772-1213
Department of Veterans Affairs1-800-827-1000
Office of Personnel Management ...1-888-767-6738 or 202-606-0500
Internal Revenue Service1-800-829-1040
Railroad Retirement Board (Automated System)1-800-808-0772

Debt Questions

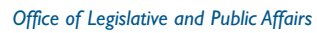
FMS

Treasury Debt Collection Office1-888-826-3127
TOP Help Desk1-800-304-3107

***NOTE:** The Regional Finance Center in Chicago, IL, will be closed effective November 2000.



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Financial Management Service

**Office of Legislative and
Public Affairs**

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Financial Management Service

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